Sherman	Stupak	Udall (NM)
Shows	Tanner	Velazquez
Slaughter	Tauscher	Visclosky
Smith (WA)	Taylor (MS)	Watt (NC)
Snyder	Thompson (CA)	Weiner
Solis	Thompson (MS)	Wexler
Spratt	Thurman	Woolsey
Stark	Tierney	Wu
Stenholm	Turner	
Strickland	Udall (CO)	

NOT VOTING—43

Ackerman	Hastings (FL)	Moakley
Baca	Hefley	Oberstar
Barton	Hoeffel	Ose
Becerra	Honda	Quinn
Bentsen	Isakson	Rahall
Bishop	Jones (NC)	Rodriguez
Blumenauer	Kaptur	Rush
Boyd	King (NY)	Scarborough
Brady (TX)	Lipinski	Skelton
Clayton	McCarthy (MO)	Towns
Coyne	McDermott	Walsh
Cubin	McIntyre	Waters
Doggett	Meek (FL)	Waxman
Gillmor	Millender-McDonald	Wynn
Hall (OH)		

□ 0823

Mr. SANDLIN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. OSE. Mr. Speaker, on rollcall No. 148, I was unavoidably detained. Had I been present, I would have voted "yea."

Stated against:

Ms. MCCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 148, due to difficulties associated with my travel logistics, I was unavoidably detained. Had I been present, I would have voted "nay."

REMOVAL OF NAMES OF MEMBERS AS COSPONSORS OF H.R. 1990

Mr. GEORGE MILLER of California. Mr. Speaker, I ask unanimous consent to withdraw the following names of Members as original cosponsors of H.R. 1990. These names were inadvertently included as cosponsors of H.R. 1990. I also ask that the first printing of the bill reflect these changes:

SANFORD BISHOP, Georgia;
LUIS GUTIERREZ, Illinois;
DENNIS KUCINICH, Ohio;
PATSY MINK, Hawaii;
ELEANOR HOLMES NORTON, District of Columbia;
JANICE D. SCHAKOWSKY, Illinois;
DAVID BONIOR, Michigan;
ELIJAH CUMMINGS, Maryland;
BENJAMIN GILMAN, New York;
RUBEN HINOJOSA, Texas;
SHEILA JACKSON-LEE, Texas;
STEVE LATOURETTE, Ohio;
CONSTANCE MORELLA, Maryland;
MAJOR OWENS, New York; and
ROBERT C. SCOTT, Virginia.

The SPEAKER pro tempore (Mr. LAHOOD) Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 1836, ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 153, I call up the conference report on the bill (H.R. 1836) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

The SPEAKER pro tempore. Pursuant to House Resolution 153, the conference report is considered as having been read.

(For conference report, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Well, the day has arrived. There was a contest for President last year. There were very clear and particular themes underscoring the candidacies of each of the gentlemen running for President. One of them said he wanted to bring a different atmosphere to Washington and he wanted to return some of the taxpayers' money. Governor George W. Bush became President. There is a different climate in Washington, and this morning we are returning some of the taxpayers' money. The conference agreement on H.R. 1836 is clear evidence of that different environment.

I want to thank the Speaker of the House of Representatives, the gentleman from Illinois (Mr. HASTERT). Without his ability to focus, guide, support and nurture, this conference report would not be before us. I want to thank the majority leader, the gentleman from Texas (Mr. ARMEY), for his willingness to stand shoulder to shoulder in trying to produce a responsible product. But probably more important than that, I want to thank the chairman of the Senate Committee on Finance, the gentleman from Iowa, Mr. GRASSLEY, and the ranking minority member of the Senate Committee on Finance, the gentleman from Montana, Mr. BAUCUS, because they decided that the only way legislation as significant and sweeping as this could pass the Senate would be if from the beginning it was a bipartisan effort.

It does not take too much analysis to realize that if you have a Committee on Finance divided evenly between 10 Republicans and 10 Democrats, you are not going to be able to move anything unless it is bipartisan.

□ 0830

But they were committed to returning the taxpayers' money enough that they built a bipartisan product from its instigation in the Senate, carried it through the floor and into conference. And along with the gentleman from Louisiana (Mr. BREAUX), we put together a bipartisan product coming out of the conference.

Now, I know there is some consternation because not every member of the conference signed the conference report. What is important to note is there was a bipartisan signature structure because the underlying legislation is bipartisan in itself.

There have been a number of statements about this piece of legislation which I do think need to be addressed. There are individuals who are still using a statistical analysis of a fictitious piece of legislation in terms of the distributional effects on the taxpayers based upon the tax changes.

I would urge my colleagues in a number of places on the floor to pick up the material entitled Distributional Effects of the Conference Agreement for H.R. 1836 prepared by the bipartisan Joint Committee on Taxation to give you some feeling of the way this bill has been constructed. Notwithstanding the rhetoric you are going to hear once again about how this goes only to the wealthy, if you will simply look at the change in Federal taxes and the percent of the benefit going to particular income groups, for example: in those income categories between $10,000 and $20,000, in this calendar year, 11.5 percent of the benefits go to the $10,000 to $20,000; $20,000 to $30,000 9.4 percent; $30,000 to $40,000, 6.4 percent; $40,000 to $50,000, 5.4 percent; $50,000 to $75,000, 4.5 percent; $75,000 to $100,000, 3.5 percent; $100,000 to $200,000, 2.6 percent; $200,000 and over, 1.3 percent. In other words, those who have the lowest income get the greatest benefit.

In other words, if your income category is $10,000 to $20,000 a year, you get 11.5 percent of the benefit. If it is $200,000 and over, you get 1.3 percent. In fact, it is a numerical cascading structure in which every increment moves in the direction you would expect if it is a fair distributional structure.

In addition to that, I have heard statements about the fact that this particular package will destroy Medicare, that once again Social Security is under threat. I wonder how long the bumper sticker political rhetoric is going to be continued. The Senate Budget Committee, the House Budget Committee, those responsible for examining the budgetary structure, say in every year of this agreement, the HI or the Medicare Trust Fund is fully protected and the Social Security Trust Fund is fully protected. This agreement meets the requirement of the budget that we passed to protect Social Security and Medicare in every year of the 10 years of the agreement.

Now, let me address the 10 years because that clearly was one of the most popular themes during the rule. I am sure there will be a number of speakers to take the well to say, hey, this agreement is phony because it only lasts 10 years.

This legislation was considered under the budget reconciliation rules that apply to the Senate. Under budget reconciliation, it is possible to pass legislation limiting the rules of the Senate in terms of debate and hours to debate a subject normally unlimited and only require 51 votes to do so. It was created because it was almost impossible to move legislation just like this through the Senate without the limitations that are currently available in the reconciliation structure. It is a two-edged sword. It means you are able to get through the Senate legislation like this, but under the rules of the Senate it can only be for 10 years and that if any revenue bill extends its effect outside the 10-year window, it is, as we say, subject to a point of order and, therefore, the entire package fails.

I will tell my colleagues that if you want permanent tax change, it requires 60 votes in the Senate to accomplish that. I have before me what a 60-vote bill would look like. It is, if you notice, a blank piece of paper, because that is what the tax bill would be if it were to be permanent. You would not have $1.35 trillion of tax relief for hardworking American taxpayers. You would not have a lump sum payment in lieu of withholding adjustment of almost $40 billion going out to Americans to help stimulate the economy this year. You would not have permanent rate reduction. You would not have the refundability for child credit that is in this bill. You would not have anything.

So I appreciate the wringing of the hands and the concern that this only lasts 10 years. I tell my colleagues, every one of you who are worried about this only lasting 10 years, join with me, let us walk across the Capitol, and you produce 60 votes. If you produce 60 votes, you will have it permanent. If you do not, it is as simple as that. Unfortunately, under the rules in which the Senate must operate to have a clear majority express its will, it can only be done within the 10-year framework.

So we will hear the argument that all of this is only for 10 years. But if it is only for 10 years, what a 10 years it will be. More than $1.3 trillion in a time of surplus will be returned to the hardworking taxpayers. I know some of you are concerned that it is not going to be available to continue to feed the Federal dog. The problem, of course, we know is that when you start one of your programs, it is a cute little puppy but as you continue to feed it with hardworking taxpayers' dollars, it grows into an enormous, large dog that eats almost all the resources. We have seen it over and over again. That is why we were in deficit year after year after year. What we have, courtesy of the gentleman from Iowa (Mr. NUSSLE), is a budget under which we are required to work with, yes, provides this kind of taxpayer relief but also provides a responsible, over-the-cost-of-living growth structure for the Federal Government.

I know you are used to unrestrained growth. A little discipline is not necessarily a bad thing. Frankly, a little relief for the American taxpayer is not necessarily a bad thing, either.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I have been here for 3 decades, and I have never heard such poppycock in my life.

What we are talking about, the 10-year end of this bill, is because the Senate made me do it? It is true that we have violated every constitutional principle we could think of in terms of writing law and raising revenue but, my God, is the new Republican thing is ''it wasn't me, the Senate made me do it''?

We are supposed to create revenue here. We are the ones that are supposed to write the tax bills. But what did we send over to the other side? Nothing. And so now we are sorry because they have shoved this piece of legislation down our throats.

Bipartisanship. Let me tell you, Mr. Speaker, when you appointed me to serve on the conference committee along with our distinguished majority leader and the distinguished chairman of the Committee on Ways and Means, I was so proud because I would have been the only Democrat in the House of Representatives, where the people govern, to at least try to guide this away from just the rich and maybe reflect the concerns of the moderate and the hardworking people of America. So as soon as I was appointed, I waited and I waited and I waited for an invitation to the meeting. But the invitation never came.

Now, I do not know where the bipartisanship is unless one of the Republicans is a closet Democrat, but I can tell you this, I went looking for the meeting. The White House was at the meeting, Republican Members of the House were at the meeting, Republicans from the Senate were at the meeting. But guess what? Not one Democrat from the House was at the meeting.

Now, the chairman of the committee waves a piece of paper saying, this is what the bill would look like if the Senate had not made them accept it. Well, do not wave empty paper. Where is the bill, I ask the gentleman from California? Why is it that Members of this House have no copy of this bill that explodes in 10 years? Show us the bill if you are so proud of it. Or should we beam it up on the Web net as we have been advised and that is the only way we are going to find out what is going on?

I tell you this: If you were proud of this document, it would not have been patched up in the middle of the night. We would not be here on Saturday morning. We would not have meetings in the darkness of the night where people do not know where they are, but we would have been walking forward, Democrats and Republicans, proud of what we were doing. Instead of that, we have no bill, we have a lot of sarcasm, and yet we are expected now to go home and be proud.

Mr. Speaker, I reserve the balance of my time. Better than that, I yield 2 minutes to the distinguished gentleman from Missouri (Mr. GEPHARDT), the leader of the Democratic Party. Maybe he can find the bipartisanship, but for 3 days I have searched for it and it was not to be found in this Capitol.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, on my way in here this morning in the dawn's early light, I was thinking of proper titles for this bill. I am sure it has some classy title that has been given it by its sponsors.

How about the ''Special Interest Relief Act''? How about the ''Deficit Re-Creation Act''? How about the ''Plunder Medicare and Social Security Act''?

Mr. Speaker, I ask Members to vote against this bill. It has been a long night, a long night of a conference to put together the biggest tax bill in the history of our country. And as the gentleman from New York just said, it was done in a cloud of secrecy. Democratic Members of the House were not allowed in the meetings where this bill, the largest tax bill in our history, was put together. And so what we have today is a giant relief act for special interests in this country, not for the people of this country. And we are not acting on the most important crisis that faces our country today which are runaway, back-breaking electricity prices on the West Coast of the United States.

The President said he came as a uniter, not a divider. He said that he would collaborate with Democrats and that the parties would work together.

□ 0845

Yet from day one on this bill, it has been my way or the highway every day.

I dare say there was more collaboration in this conference between Republican Members and special interests than between Republicans and Democrats to find the right bill.

In fact, the chairman of the committee had this to say in this morning's Washington Post: He said the decision to scale back numerous provisions rather than jettison a few reflected a political calculation. He said a number of groups in the Senate pushed for individual provisions so negotiators sought, and I quote, ''to fit in as many of those special interest groups as possible.''

Look at what had to be done to shoehorn in as many of those special interests as possible. We moved, in effect, the sunset date back a year. Why was it not moved back five more years? Why was every special interest in the country not shoehorned into this bill?

We wind up with becoming the laughing stock of the country because one has to die before 2010 in order to get the full benefit of the estate tax.

Someone said in the morning paper, this is going to be a Saturday Night Live routine, and it is. Can one imagine the routines that can be done?

Now let me give three quick reasons why this bill should be defeated: first, we believe that this tax cut comes over 20 years to over $5 trillion, over $5 trillion. It is backloaded. It is backloaded. It is backloaded. It explodes in the final years. It will cause the largest deficits this country has ever seen, and precisely at the time when the baby boomers are going to be coming into the Medicare system and the Social Security Trust Fund. We are going to be raiding those funds of needed dollars to take care of future generations.

Secondly, it is weighted to the top. The top 1 percent get 36 percent of the benefits of this bill.

We have no argument with people who have made a lot of money. We bless them. Thank God people can make a lot of money in this country and all of our citizens feel they can make a lot of money. We bear no grudge. We welcome their ability to do this, but we make a choice when we give that much of the tax cut to the people at the top. It means we do not give enough to the people in the middle class and the people trying to get in the middle class.

This is the opportunity society. We want people to feel they can get wealthy. We want people to work hard. But how will they take a tax bill that gives everything at the top?

Finally, it is fiscally irresponsible. We have worked so hard, we have worked so hard in this country, to get us back to a time of surpluses and not deficits. And tonight, today, this morning, we take a U-turn. We turn away from the most important achievement of this country and this economy.

I began to think that citizens had lost all faith in us because we could not deal with the deficit, and finally we summoned the courage in the early 1990s to take care of the deficit. We made the hard decisions, and I would argue that the Members of this Democratic Party sacrificed their seats so that we could return to fiscal responsibility.

It is what Senator JEFFORDS talked about in such ringing terms 2 days ago, and now we turn our back on this most important achievement. Again, if we were doing this risky scheme to give a larger tax cut to the middle class, maybe one could justify it. But, no, that is not what we are doing. We are doing this for special interests. We are doing this so the largest, wealthiest special interests in this country can get all of their things shoehorned into this bill.

Let me just say this this morning, or yesterday morning, and even in some places this morning, children are going to school in trailers in this country because we have not built the school buildings to house them. Our forests and our public lands need protecting. Our seniors, especially on the West Coast, need low-income energy assistance. People want more cops on the beat so that we feel safe on our streets, and middle-income families who are paying $2.25 a gallon for gasoline would like to have the majority of this tax cut.

Incidentally, Mr. Speaker, this is a tax bill, probably the last tax bill. The President sent us an energy plan last week. It has all kinds of tax incentives to produce alternative energy in this country. There is not one red cent in this bill to advance the energy interests of this country. This is not what we ought to be doing this morning.

Twenty years from now people will look back on this morning as a momentous, defining moment in the economic history of this country and the social history of this country. I urge Members on both sides of the aisle to examine the facts and examine their conscience. This bill, in my opinion, is an outrage. It is an outrage to the common sense and decency of the American people, and I ask each of the Members to consider carefully their vote because I believe with all my heart it will be remembered for their entire career and will be remembered by them for the rest of their lives.

Please do the right thing and reflect the values of the great American people: decency, honesty, fiscal responsibility, and common sense. Vote no on this tax bill.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to thank the minority leader for providing us with a defining statement. I think it can be made no clearer in terms of the difference here on the floor today. The gentleman from Missouri (Mr. GEPHARDT) said, mark my words, this is the last tax bill. He said this is the last tax bill.

He must know something we do not. Obviously, he is consulting with the new majority leader of the Senate, TOM DASCHLE from South Dakota; and apparently the new majority leader has assured him this will be the last tax bill.

If one wants to know the difference, the defining statement between the two sides, we think there ought to be more tax relief bills. Clearly the statement indicates there will not be any more. He knows more than we do about the way the Democrats are going to run the other body.

Mr. Speaker, it is my pleasure to yield 4 minutes to the gentleman from Iowa (Mr. NUSSLE), chairman of the Committee on the Budget and a member of the Committee on Ways and Means, someone who created the structure which allowed us to provide this kind of legislation to come to the floor.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would remind all Members that personal references to the Senators are not allowed under the Rules of the House.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me this time.

Mr. Speaker, I congratulate the gentleman and all of those that have worked on this bill. It fits within the budget. It is a good product, and it is not an outrage. The minority leader said it is an outrage. If it is such an outrage, why will the majority party today be joined by as many as 40 Democrats who support this bill? If it is such an outrage, why will it be that at least 10 Democrats in the Senate will join with the majority party in support of this bill? If it is such an outrage, why is it that this is supported by the American people in great numbers across our country? Because they know, as we know, who should be spending the money in this country.

This bill, I think, is a stark contrast between excuses and opportunities. What we just heard from the minority leader is a number of excuses, excuses that we have heard for a number of years as to why we cannot have a tax cut.

I have heard so many times people say tax cutting is easy; I am for tax cuts; coming to the floor and cutting taxes is one of the easiest things we can do. Then why is it since World War II that we have only done it twice before? If it is so easy, why is it that this is only the third time that we have been able to have this kind of tax relief for the American people since the end of World War II? It is because it is not easy. It is difficult.

Why is it difficult? Because there are so many excuses for why people cannot have their resources back and why the government should be spending that money itself.

What are some of those excuses that we have been hearing? The number one excuse was we cannot provide tax relief to the American people because it dips into Social Security. For one of the first times we have a budget that says we are not touching any of Social Security. This tax bill fits within that budget. We do not touch Social Security. We will not touch Social Security. That was a bipartisan decision. I hope that that holds, and it fits within this budget.

The second is that we should not do it because it touches Medicare. The minority leader said that this bill touches Medicare. That could not be farther from the truth. It does not touch Medicare. It should not touch Medicare. It will not touch Medicare. That also was a bipartisan agreement, and we should continue that practice here today.

The third excuse was we should pay down the national debt first. In fact, this budget accomplishes the largest reduction of the debt held by the public in our history. This bill does not change that in one way, shape or form; and by the end of the 10 years of this budget we will have eliminated the debt held by the public, except for that which is needed for the cash flow.

We have heard this is for the rich, and the minority leader mistakenly said 36 percent of the relief goes to the top 1 percent. Could not be farther from the truth; could not be farther from the truth. Read the distribution tables. Of course, that is a little hard to do, but, in fact, that is not the case.

We have heard it is the wrong time, the wrong way. It is the wrong process. We have heard it is too dark at night. We have heard every excuse in the book, except for the one that really matters, and that is the opportunity that this gives to the American people itself.

The real issue here today is who should spend the money. Do we believe that individuals and families make the best decisions about how to spend their money, or do we believe government is in the best position to do so? The special interests that we heard from the minority leader are in this bill. Want to hear what they are? People who are married, people who have children, people who are worried about the education of those kids, people who are worried about their small business and farms, and people who are worried about more and more money that goes to Washington that is not available to pay for higher energy bills, higher college costs and higher expenses.

Vote for this bill. It fits within the budget.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a distinguished member of the Committee on Ways and Means.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the distinguished ranking member, for yielding me this time.

Mr. Speaker, this bill is an obscene hoax on the American people, and it is not about taxes. It is about the Republican plan to fundamentally cripple the ability of government to do its job. It is about sacrificing our Nation's priorities on the altar of tax breaks to the wealthiest among us.

The Republican leaders would like nothing more than to hamstring our Federal Government's ability to function. They know it and we know it.

They praise the President's leadership, and on that note I will join them. The President's leadership led to one of the most outstanding acts in the political scene of this year and perhaps this century when the gentleman from Vermont decided to switch parties. In his statement he said ''that in the past, without the Presidency the various wings of the Republican Party and Congress have had some freedom to argue and influence and ultimately to shape the party's agenda. The election of President Bush changed that dramatically.

□ 0900

We do not live in a parliamentary system, but it is only natural to expect that people like myself, who have been honored with positions of leadership, will largely support the President's agenda and yet, more and more I find I cannot. Those who do not know me may have thought I took pleasure in resisting the President's budget or that I enjoyed the limelight. Nothing could be further from the truth. I had serious substantive reservations about that budget, as you all know, and the decision it set in place for the future.

Looking ahead, I could see more and more instances where I will disagree with the President on very fundamental issues. The issue of choice. The direction of the judiciary, tax and spending decisions, missile defense, energy and the environment, and a host of other issues, large and small. Now, for some, success seems to be measured by the number of students moved out of public schools. In order to best represent my State, I will leave the Republican Party and become an independent. I hope my colleagues on the other side of the aisle will follow the President's leadership and take that good advice.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Again, the Chair will remind all Members that personal references to Senators are not in order, except to identify them as sponsors of legislation.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. HULSHOF).

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. Mr. Speaker, I rise in support of this very likely last tax relief measure in this Congress.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN) who, on a bipartisan basis, was responsible for a major portion of this bill, the pension and IRA area.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me this time. I want to congratulate the Chairman and his colleagues for excellent work on this tax relief measure. I know I am not supposed to talk about Democrat Senators, but I will talk about them in terms of sponsors.

Senator MAX BAUCUS, who did sponsor the legislation on the Senate side, and Senator JOHN BREAUX, who is one of the sponsors on the Senate side, worked very hard with Senator CHUCK GRASSLEY, chairman of the Finance Committee, and the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means; and they did a fantastic job in putting together a great bill.

A couple of points need to be made. One is that this is about 25 percent of the tax surplus that is permitted to go back to the hardworking American people that sent, after all, every dime of that surplus to Washington. That is certainly fair and not consistent with what we have heard on the other side.

In terms of special interests, let us talk about the special interests here. First, all of the President's major proposals are here, the ''big four.'' Across-the-board tax relief that benefits every single American, while those at the lower- and middle-income levels get a disproportionate amount of the tax relief under this provision. An increase in the child tax credit, allowing all American families to have a little more to be able to raise their kids and the expenses incurred by that. It is also refundable, so it helps folks that do not pay any Federal income taxes, some who pay payroll taxes, some who pay no payroll taxes or Federal income taxes. Marriage penalty relief. All of us know about that, we have been fighting for that for years.

Finally, in this legislation, we get relief to folks who are married so they are not paying more just for the benefit of being married. Death tax repeal; very important to small businesses around this country, and those four are all in this legislation. All finally, after so many years of talking about them, so much discussion here on the House floor, we will have enacted into law to help the American people, not special interests, but the people who work hard every day to make this country work.

Other things are also added. The adoption tax credit to let people adopt children more readily. Education tax credit to help with tuition, to help with student loans; and, finally, the retirement security provisions which are extremely important to let every American save more for their own retirement. Raising the IRA contribution from $2,000 to $5,000. Had it been indexed to inflation originally, it would be a little over $5,000 a day. We are doing a catch-up there where it should be. On the 401(k) side, helping people to save more, again, for their own retirement.

This is a good bill. That is why 68 percent of the American people, 55 percent Democrats, support it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a distinguished member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York for yielding me this time. I might just express my disappointment to the gentleman from New York (Mr. RANGEL), because over the last few days I had given him a number of provisions that I thought other Members of this body, Democratic Members particularly, would find helpful in terms of this tax bill, so perhaps we could have voted for it. But, then I found, after the gentleman had received all of these tax proposals that I had, that well, he was not allowed to go into the conference or allowed to go into the meetings. So I am sorry that I burdened the gentleman with that information, because it is pretty obvious that the gentleman was shut out. So I just want to make this effort to thank him for his effort.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. MATSUI. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I would like the gentleman from California to know, when I found out that I was excluded from the meeting, I did seek to see whether or not another member of the Democratic leadership perhaps had been invited; but as I said to the gentleman early this morning, the gentleman should know, not one Democrat in this House of Representatives got the chance to participate in this bill.

Mr. MATSUI. Mr. Speaker, I thank the gentleman. I think the good news is the fact that the Senate will change in another week. This will be the last extreme bill that we will have before the body that will be sent to the President.

I would like to point out a few things. One, the document that showed that we have a $5.6 trillion surplus over the next 10 years, that same document said that there was only a 50 percent chance of accuracy that these 5-year numbers are correct and they have no basis to make an accuracy projection on the 10-year numbers. This could have been $8.9 trillion or $1.6 trillion or perhaps 0. So we are basing this $5.6 trillion surplus on speculation, and that is exactly what this bill is all about.

Now, let me just make a couple of observations. The chairman of the committee says that this will not affect Social Security, because in the 10-year window, it will not have any impact on Social Security. The reason for that is because in the year 2014, 13 years from now, is when Social Security has the cash flow problem. So basically, yes, for the next 10 years, it may not have an impact on Social Security, but it will have a devastating impact on Social Security in terms of its long-term survivability.

I will say that a ''yes'' vote on this bill, will mean that senior citizens will, in fact, have significant reductions in their benefits. There is no question about it. The chairman of the Committee on the Budget made an interesting observation. He said that this bill really does not go to the wealthy. The problem is that he is using a 5-year projection. Of course, in the 5-year projections, it is not until the 6th to the 10th year that the tax benefits for the wealthy actually phase in. As a result of that, those people that earn $1.1 million a year on their tax returns will get 38 percent of these benefits. That is not good budget policy.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations, who certainly, over the course of the rest of this session of Congress, is going to have something to say about whether or not this tax bill will encroach on Social Security or Medicare.

Mr. YOUNG of Florida. Mr. Speaker, I appreciate the gentleman yielding me this time.

I just wanted to say this, that I am not going to report an appropriations bill that spends one penny from the Social Security or Medicare funds.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Florida (Mr. SHAW), a member of the Committee on Ways and Means who is the chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I would like to congratulate the gentleman from California (Mr. THOMAS) and all of those responsible for bringing this conference report to us.

It absolutely is appalling how we continue to hear, particularly from the other side, that every time we are going to give tax relief that is going to stop us from doing all of these other things and that it is going to in some way impact upon the Social Security Trust Fund. Believe me, this tax bill does not spend one nickel of the Social Security Trust Fund.

The surpluses are going to be out there until 2016. Instead of throwing rocks at what we are trying to do, giving Americans some tax relief, I would invite my Democrat friends to join with me in solving the problem of Social Security, because beginning in 2016, there is going to be some problems, because the surplus is going to go away in 2016. By using just one-third of that surplus right now, we could solve the Social Security problem for all times.

So let us quit using this as a political hammer, and let us recognize that we need to legislate for the next generation and not the next election.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN a distinguished member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me start off by complimenting the conferees on the retirement and pension provisions that are in this conference report. As the chairman mentioned frequently, that bill had been worked in a very bipartisan way, and I think in conference that spirit was continued, and I am very pleased with the provisions that are included in the conference report as it relates to the pension and retirement provisions.

However, Mr. Speaker, I regret that I will be forced to vote against a bill that I worked very hard on because of the other provisions that are included in here. The pension retirement provisions are less than 4 percent of the revenue costs of the bill; but the other provisions explode in costs, and I have spoken on this floor several times about this legislation. It does make it much more difficult for us to pay down our debt.

As the chairman of the Committee on Appropriations said, I did not know we were appropriating the Social Security benefits. Maybe the Committee on Appropriations is trying to take the jurisdiction away from the Committee on Ways and Means on the Social Security system. But this bill if, in fact, we are off by 1 percent on the growth rate of our Nation, we will find that we have appropriated all of the surplus during the next 10 years for this tax cut. I would hope that during the next 10 years, we will have priorities in addition to tax cuts, that we could deal with education, that we could deal with prescription medicines.

What I am concerned about is that we are putting into effect today tax relief that will jeopardize our ability to provide these other priorities for the American public. This is a reckless bill, and I urge my colleagues to vote against it.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the gentleman from Florida (Mr. SHAW) control the remainder of time on our side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a distinguished member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this morning we are hearing again a very interesting debate. The gentleman from Maryland (Mr. CARDIN), who worked in a bipartisan way for meaningful pension reform and relief, now abandons the larger measure. The gentleman from California (Mr. MATSUI) speaks of speculation. Mr. Speaker, it is interesting that when I was in the private sector and I watched Washington spend more and more and more and more of the people's money, including Social Security funds, it was interesting how those forecasts and estimations never seemed to make a difference in the minds of the previous majority.

I heard the gentleman from California (Mr. STARK), reduced to reading a statement from someone in the other body that had nothing to do with the tax relief today; and I heard the gentleman from Missouri (Mr. GEPHARDT), the minority leader, speak of a Saturday Night Live sketch. Perhaps he was thinking about the fictional character of Tommy Finnagan as portrayed by Jon Lovitz years ago who was somewhat factually challenged, because indeed the presentation from the left has been completely factually challenged this morning.

Mr. Speaker, I invite my colleagues to join us to offer meaningful relief in the marriage penalty, to finally put the death tax to death, for marginal rate reductions, and for the American people getting some of their hard-earned money back immediately. Rather than have the incendiary comments, let us work together.

Mr. Speaker, I believe today on this floor, despite the wailing and gnashing of teeth, despite the extreme rhetoric of the other side, we will have meaningful tax relief for the American people; and it is about time. Wouldst that my friends would join us again; but they are already saying today, just one, no more. How sad that is. But at least on this one, I say to my colleagues, let us join together for commonsense tax relief, because the money belongs to the people, not to the Washington bureaucrats.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MCNULTY), a member of the Committee on Ways and Means.

Mr. McNULTY. Mr. Speaker, I do not want to go back to the days of deficit spending. There are a lot of numbers flying around Washington, D.C. these days, and I know a lot of people do not know who to believe. So I am not going to use any of the numbers of the gentleman from New York (Mr. RANGEL) or any of the numbers of the gentleman from Missouri (Mr. GEPHARDT) or any of the Daschle numbers; I am going to use the President's numbers.

□ 0915

He stood in this Chamber not long ago and he projected we would have over the next 10 years a $5.6 trillion surplus. Some people think that is a guess, some people think it is a gamble, some think it is a dream. But sometimes dreams come true. Let us assume it happens.

He wants to pay down $2 trillion on the national debt. As a fiscally conservative Democrat, I want to do that. I like that. That takes us down to $3.6 trillion.

Then he says, as we all have said, ''We are not going to touch the Medicare or Social Security trust fund monies.'' Now, 400 of us voted to do that. The chairman of the Committee on Appropriations just said we are not going to do that. We subtract that out and we are down to $700 billion.

Now what do we do? We are going to have a tax cut in the amount of $1.35 trillion. I rounded that down to $1.3 trillion, and we have a $600 billion deficit. Using the President's numbers, with no new program funding, nothing for education, nothing for military pay, nothing further as far as spending is concerned, we have a $600 billion deficit, using the President's numbers.

Mr. Speaker, here is the deal. We have a $5.7 trillion national debt. Last year, we paid $329 billion in interest on the national debt. Let us not go back to the days of deficit spending. For the sake of our children and grandchildren, defeat this irresponsible proposal.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a distinguished member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I stand in strong support of this legislation, and hope Members will help our constituents to see how much help it is going to give to young families getting started in life. It not only drops the taxation on part of their income to 10 percent, but it also gives them two 15 percent brackets before they move up into the higher bracket, so they will be able to earn much more income, give their family a much better start before they begin to carry the kind of burden they carried today. Not only will they get the double 15 percent bracket, the advantage of the 10 percent bracket, but they will have the double child tax credit over time, $1,000 per child.

We are going to keep young families out of those mid ranges of our Tax Code for most of the years of their raising their young children. This is an enormous change in the sort of launching of children and families in our society. I am very proud that we are making it possible.

Let me say lastly that I am sort of astounded at what I hear from the other side. It is absolutely as legitimate to, in a sense, spend the surplus through the tax vehicle as through the spending vehicle.

I know many of them want to increase spending in this area and that area. Because we spend $80 billion a year through the Tax Code, America has a primarily employer-provided health care system. All that, the private sector health plans that employers provide to their employees, is made possible because we exempt those premiums through the Tax Code.

We spend over $80 billion every year through the Tax Code. I want another tax bill that provides that same tax equity and tax support to everyone who pays their own health insurance premiums. That is every bit as intelligent and effective a way to expand access to health insurance as a subsidy program from Washington, which I know many of them support.

Mr. Speaker, I thank the chairman for the tax bill. It is going to make a big difference in people's lives.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, much has been said about this bill jeopardizing Social Security, Medicare, prescription drugs, but somebody needs to speak for the American soldier.

I am on the Committee on Armed Services. I take this work very, very seriously. This bill jeopardizes dollars for defense, as so aptly pointed out by the gentleman from South Carolina (Mr. SPRATT) just a few weeks ago.

Later on this year, during either the appropriation process or an amended budget process, I will take this floor, Mr. Speaker, and I will do my best to get additional dollars for the American soldier, because the roofs are leaking on the family housing, the spare parts bins are empty, training is being curtailed.

As a matter of fact, in Missouri there are more non-flyable helicopters because of lack of spare parts than those that fly. I think this jeopardizes the national security. We must look at that.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1½ minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, several months ago I was at Johnson High School talking to the seniors, and a little girl named Julie Long sat in the front. I asked her if she had a job, how much she got paid. She had a job, she made $7 an hour.

I said, ''Julie, if you work for 2 hours, you take home $14.'' She said, ''No, Mr. KINGSTON, of course not, I pay taxes, about $4 worth.'' Okay, so on the $14 that she has earned, she was paying $4 in taxes. Now, she understands we need to pay for the military, we need to pay for education, roads and bridges and functions of government. She said, ''Yes, sir.'' I said, ''Julie, what if you found out that I could do all that for $3.50, not $4. What would you want me to do with the other 50 cents?'' She said, ''It is my money, Mr. KINGSTON. Give it back to me.''

That is what this bill is all about. All it says is that we are going to take care of Social Security, Medicare, normal functions of government, especially education; come on, I say to the gentlemen, it is the President's education package. Then we are going to pay down the debt. With what is left, we are going to return it to the American taxpayers.

It is not time for class warfare, to bring out the same arguments we heard on health care reform, Medicare reform, regulatory reform. It is not time for all the fearmongering. Let us just say who this money belongs to, which is the taxpayer, not us in Washington, and let us say it is their money and we are going to return it to them.

That is what this bill is all about. I urge my colleagues to support the conference report.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the chairman of the committee, the gentleman from California (Mr. THOMAS), a while ago said when this President ran for office, he said there was going to be a change in the environment in Washington, D.C. Over the last few months we have seen that. In fact, most recently we have found that the fundraising in this town has moved from the Lincoln bedroom in the White House to the Cheney bedroom. So already we are seeing this big change that was talked about.

What I would like to do this morning is just make some observations on the bill. We are being told by our Republican colleagues that we must give the money back. Taxpayers have been overcharged. Well, let us analyze those two statements.

Number one, we have to give the money back, but the problem is, the money is not here. The money is not here. It is a projected surplus over the next 10 years. We hope and pray it is going to be here, but it is not today. So I say, Mr. Speaker, we cannot give the money back if we do not have the money.

But this bill does expend all that money, and know full well, if there is a downturn in the economy worse than today, the first thing to go is cutbacks in programs, and not going back on these tax cuts. This will be sacrosanct, we are not going to be able to touch it.

As far as overcharging the taxpayers, the taxes that have been coming in over the years have for the most part been going to pay down the annual debt. The gentleman from New York (Mr. MCNULTY) indicated what the interest charge was per year, so taxpayers were not being overcharged. They were being charged for the excesses that started with the tax cut of the Reagan administration.

Let me say a couple words about this new thing that is added to the bill. That is the fact that we are going to send checks back. Maybe the chairman of the Committee knows how much that would cost, but to send a check to taxpayers in a month or so is going to cost millions and millions of dollars. Those same millions of dollars could be going for more teachers and more police on the beat.

I just want to tell a little story about sending checks back. It comes from an experience in the State of Wisconsin. Then Tommy Thompson, the Governor, signed legislation a little over a year ago to send the checks back to Wisconsinites because of a projected surplus. So we all got about $320 back, very close to what we are going to get today.

Mr. Speaker, Tommy Thompson got out of town. He left the State, and that State that sent the checks back today is faced with a $760 million deficit. So I want to thank all for the checks from the Wisconsinites. It is going to go to increased gas and to pay back that $320 to the State.

Mr. Speaker, the Tax Conference Report before us today is the result of the surplus dollars projected to be available over the next ten years. The White House and Republican authors of this bill looked at the Congressional Budget Office report, which predicted that $2.7 trillion would be available over the next ten years, and like a kids in a candy store, their eyes got big like saucers. Unfortunately, my Republican colleagues got so excited about the CBO's guesstimate that they forgot to finish reading the report. CBO was so unsure of its surplus estimate that they felt the need to devote an entire chapter to explaining the uncertainty of their projection. If my Republican colleagues had taken the time to review the entire budget document, they would have read that "a downturn in the economy, depending on its severity and duration, could greatly diminish or even eliminate surpluses over the next few years."

This tax bill is a gamble. Locking in a tax cut of the proportion will gamble our ability to provide for a sound fiscal future. Looking at the nation's long-term fiscal health, beyond 2011, reveals massive deficits as we try to deal with the costs of providing for our children's education, defense needs, prescription drug benefits, and the solvency and soundness of the Social Security trust fund. The Comptroller General tells us that deficits will occur ten years from now even if we don't pass this $1.35 trillion tax cut!

The Conference Report before us is filled with back-loaded tax cuts. It is a ticking time bomb that is set to explode at precisely the same time that the baby boomers begin to retire. It is in the second 10 years that the true cost of this tax bill will be known—precisely the same time that the bulk of baby boomers are retiring. According to the Center on Budget and Policy Priorities, the cost of the bill in the second ten years is $4.1 trillion. To accomplish this, the bill delays marriage penalty relief for 5 years and waits until 2011 to repeal the estate tax—hiding the true cost outside of the 10-year budget window.

By the authors' own admission, this bill is a floor not a ceiling for additional tax cuts. Other bills the Republican Leadership has indicated will likely be considered include a business tax package to accompany the minimum wage, tax extenders, adjustment in the Alternative Minimum Tax, and various tax incentives for health care and education. In addition, the Conference Report does not take into account the hundreds of billions in interest costs that will have to be paid because passage of this bill will jeopardize our ability to pay down the debt. When the debt and all of the remaining tax bills are added together, the total cost is nearly $3 trillion! That's more than the $2.7 trillion in projected surpluses that are available outside the Social Security and Medicare Trust Funds. Inevitably, the Republican tax bills will collapse under their own weight.

The tax plan is déjà vu. Twenty years ago, Congress passed a large tax cut that quickly tripled the deficit and quadrupled the national debt. Apparently, my friends on the other side of the aisle seem to have selective recall when it comes to that part of our history.

Mr. Speaker, the Tax Reconciliation Conference Report before us today is an irresponsible tax proposal that will be paid out of the pockets of our children. I urge its rejection.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 30 seconds to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, this is not complicated, it is simple. People are either for tax relief, or they are not.

This bill provides tax relief for families with children, for married couples, for farmers, for small businesspeople. Mr. Speaker, when the year 2011 comes around, we will sure want a Senate that reaffirms tax relief, not one that increases taxes, like in 1993. Vote for this bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), an outstanding American and a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the Republican tax bill is not the way to go. It is going to take the country down the wrong road. What if we are wrong? The Republican tax bill is based on a 10-year forecast that we know probably will not happen. In fact, the people who made the forecast have said that it is not going to come true. According to them, there is only a 10 percent chance that their forecast will be correct.

We cannot afford to be wrong on this one. We are locking ourselves into a 10-year plan when we are not even sure that the money would be there.

The gentleman from New York (Mr. RANGEL), does he know what this would be like? It would be like counting the chickens before the eggs hatch. That would not be fair for the American people. What if we are wrong? What if the surplus does not happen?

The administration, the Republicans, somebody is not telling the whole truth. They are not telling us the whole story. They need to be honest with the American people, honest about the true costs of the tax bill, honest about what will happen if the surplus does not materialize, honest about what will happen to Social Security, honest about Medicare and other priorities.

We have an obligation, a mission, and a mandate to tell the truth, the whole truth, and nothing but the truth. The Republicans are playing with the numbers. It is deceptive, it is a sham, and it is a shame. We should be paying down the debt, saving Social Security and Medicare, taking care of the basic needs of all of our people.

The Republican bill is not right for America. It is not fair and it is not just. We should vote down this bill. We should do it for the American people. We have an obligation to vote it down.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, in the tradition of the gentleman from Iowa (Mr. NUSSLE), I should have worn a paper bag down here today.

How can anyone look the American people in the eye and say we have a surplus when we owe the Social Security trust fund $1 trillion? There is no account. There is no money. They have nothing but IOUs. But somebody else is going to get a tax break today.

We owe the Medicare trust fund at this moment $228 billion. There is no lockbox. There is no bank account. They have an IOU.

We owe our Nation's military retirees, the people who they are all going to go give speeches to next Monday and tell them how much we value them, we owe them $163 billion. There is no account. There is no bank account. They took the money and they are going to give it to somebody else.

We owe our Nation's civil servants $501 billion.

□ 0930

Now, how can anyone look me in the eye and say we have a surplus when we owe those folks that money? My colleagues have taken money out of their paychecks with the promise that my colleagues were going to set it aside for their retirement.

It is not there. This is wrong for America. We have a unique opportunity to start paying down the debt; and, instead, my colleagues are giving their big contributors a tax break. Shame on you.

Mr. RANGEL. Mr. Speaker, my colleagues have no response?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. RANGEL) has 6 minutes remaining and the gentleman from California (Mr. THOMAS) has a couple of speakers.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. STENHOLM), an outspoken Member on our government's budget.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I want to choose my words very carefully today, because tomorrow I may eat them, just as I have heard many statements made on this floor today that I think are going to be eaten.

When you govern this country based on political promises and polls rather than sound economics and good policy, the market will correct us.

Let me remind everyone to start looking at what is happening to long-term interest rates as we have been debating this tax cut. They have gone up 4 percent, which means a tax increase on all soon-to-be homeowners.

Now, this budget bets the ranch that the surpluses that everybody talks about are going to be there. If they are not, we are going to have a difficult time governing in this body in a bipartisan way.

Social Security has been mentioned, and my number one disappointment in this budget is the fact that there is no money left for us to do the kind of bipartisan Social Security reform that I wanted to work with my President for. My colleagues have spent it all. Then my colleagues come in and sunset in 2011.

Mr. Speaker, I wanted to do something for estate taxes. I wanted to have an immediate $4 million exemption for small businesses owners all over the country effective now. This one does not survive the laugh test. It does not even deserve the laugh test.

We heard defense mentioned a moment ago. I know that the die is cast. I was here in 1981. I have heard a little revisionist history on the floor this morning.

The facts, as the gentleman from Mississippi (Mr. TAYLOR) spoke of, were the result of the 1981 vote; and we are in danger of repeating it.

I hope I am wrong. I hope I will be able to eat the crow you will dish out to me in a year from now, if I am wrong. But if I am right, get your knives and forks out.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ARMEY), the majority leader, and a colleague and a companion on the conference committee that produced this document.

Mr. ARMEY. Mr. Speaker, as a young professor, I remember the despair that my profession of economics had in the 1970s dealing with the malaise of that decade, the stagflation, the hopelessness, and the helplessness of the economy that caused the American people to turn to Ronald Reagan when we just did not seem to be able to get the economy to move.

Ronald Reagan, God bless his heart, broke the back of inflation, and by cutting taxes and reducing government regulation on the economy, he got this economy into 2 decades now of growth that have never been paralleled in the history of the economy.

But here is the fact, here is the fact: because Ronald Reagan cut taxes, enabled the economy to grow, the fact is the American people doubled the amount of money they sent to Washington in the decade of the 1980s. That is a fact. It happened. Because we had better jobs, we had a growing economy, we spent more money.

What did Washington do? Washington spent $1.56 for every increased dollar we sent to Washington, not Ronald Reagan. This Congress spent that money year after year after year. Not only did they spend all of that, but they spent every surplus dime of payroll taxes that decent men and women in this country paid expecting it to go to mom and dad's Social Security.

The Democrat Congresses wasted those Social Security surpluses year after year after year on every risky spending scheme they could trump up. That went on until 1993. And in 1993, the President of the United States raised taxes and the deficits went on and the spending went on until 1995.

Since 1995, the American people have continued to do their job and continued to send increased amounts of money to Washington, but something changed with that new Republican majority.

Since 1995, for every dollar we have sent to Washington, government spending has gone up by less than 50 cents. That is where the surplus comes from. We restrain this lust for spending other people's money, and the surplus is there.

We were able under these circumstances to stop the 40-year raid on Social Security. We did that. It was a simple little ethical thing. We just looked at our children; and we said, why do we not honor them while they honor their parents when they pay those payroll taxes and let us stop this business of wasting it on every new, risky spending scheme somebody could concoct?

Here we are today, a great day for the American people, a day where, thanks to George Bush, for the first time in 2 decades, we are talking about across-the-board reduction in taxes for every American that pays taxes. That is a remarkable thing to be celebrating in this country. And what do we hear over here? Oh, do not do that. Do not do that. We have new spending schemes, new risky spending schemes. You will deny us the money for our new risky spending schemes.

Well, the party is over. The party has moved. The party is no longer in Washington. The addicts are going to have to take the cure. We are no longer going to get stoned on other people's money and our new spending programs. No.

We are going to move the party to America where people will spend their own money on things that are healthy, beneficial, and, in fact, assure a brighter future for their own children because of one simple thing, because they love their children best.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me take this time to thank the gentleman from Texas (Mr. ARMEY), the distinguished majority leader, for taking my place in the tax conference. Had I been there, I would have been able to have a different view, but I thank the gentleman so much.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I was here in 1981. The gentleman from Texas (Mr. ARMEY) was not. He was then an economist, perhaps not so successfully because he came to Congress.

Ronald Reagan asked the Congress of the United States to spend every nickel of Social Security surplus in his budgets. George Bush first asked the Congress of the United States to spend every nickel of Social Security and Medicare surplus.

The Congress of the United States from 1981 to 1993 spent less money than Ronald Reagan and George Bush asked us to spend. Those are the facts, my friends. Those are the facts.

Very frankly, my colleagues knew the facts in 1981. I mentioned them a little earlier today. Let me recite them again so that my colleagues understand the premise that was underlying 1981. He was not a liberal. He was not a Democrat. His name was Stockman. He knew what you were doing in 1981, notwithstanding the same kind of rhetoric that we heard on this floor today.

He said that we knew that the budget we were passing would result in triple digit debts, deficits. We knew that we would escalate the debt. We knew that interest rates would remain high and at historically high levels in 1980.

You light a time bomb today that will blow up for generations yet to come. It is your duty, your responsibility to defeat this bill. Do so.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Speaker, as a freshman here in the House, I waited to see where we could work together on a bipartisan effort so that we could provide the much-needed relief that Californians are crying out for.

When I go home today and I meet those folks that I represent, the people who are not going to get one iota of a tax break on relief, the people in my district currently are probably the hardest working folks, senior citizens, that have paid their way, that have given us the riches that we have in this country.

They are waiting. They are waiting to see what action is going to take place here. The folks in my district want to keep the lights on in California. They get no help from this budget on the energy crisis. There is an energy crisis.

There are children who are crying because they want to know that they are going to be able to have school rooms that are not going to fall down on them because they are going to be built to secure their education and their livelihood there. That is not in this budget.

What about the promises we made to seniors for Medicare and Medicaid reform to help them? What about those people in my district that have been gouged by those energy producers from Texas?

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, the Republicans are attempting to justify their tax bill by saying this tax break for their wealthy friends is needed to offset a slowdown in the economy.

My Republican colleagues, in case you have not noticed, the biggest threat to the economy is the energy crisis which will be felt throughout the country. There is a solution, and these solutions are the wave of the future, renewable energy and energy efficiency.

Yet this tax cut necessitates a cut by 50 percent in research and renewable energy and 30 percent in energy efficiency. Instead of passing this reckless tax bill, and, yes, instead of letting this House lie silent for two whole days, we should have taken up an energy bill. We should have passed the Inslee bill to help the entire West.

Do not let the Republicans tank the economy with their reckless tax vote. Vote no. Vote responsibly. Vote no on this bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HINCHEY), my friend.

Mr. HINCHEY. Mr. Speaker, I listened very carefully to the gentleman from Texas (Mr. ARMEY), the distinguished majority leader, just a few moments ago, and I was reminded about the capacity of the human mind to deceive itself.

Ronald Reagan never sent a balanced budget up to this Congress, not once in all the 8 years that he was there. This bill is a mistake today. Anyone can make a mistake and any group of people can make a mistake, but it takes a certain level of foolishness to make the same mistake over again.

In 1981, we passed a tax bill under the direct urging of a new Republican President. The result of that bill was deep recession and huge deficits, $5 trillion of deficits today as a result of that tax cut.

□ 0945

Now we are being asked to do the same thing over again. If we do it, we know what is going to happen; and our Republican colleagues intend it to happen. There will be no money to deal with crumbling schools. There will be no money to deal with prescription drugs. There will be no money to deal with the problem of 13 million children living in poverty. All of those things our Republican colleagues do not want to address. That is why they want this tax cut passed. Let us defeat this bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Washington, Mr. INSLEE.

Mr. INSLEE. My Speaker, my Republican colleagues' fiscal plan is a little like a money-laundering machine because every dollar they give to the American taxpayer, the taxpayers are going to give $2 to the energy companies, and the Republicans will not do a single thing about it.

While energy prices go up a thousand percent, they do nothing. Last night, I was reading Tom Brokaw's book about the greatest generation. He quoted Roosevelt saying, "This generation has a rendezvous with destiny." Well, under this plan, the baby boom generation has a rendezvous with a fiscal disaster when we start to retire. The Republicans have put us on the horns of this dilemma. When the baby boomers start to retire 10 years from now, when the Republicans sunset the repeal of the estate tax, which gives a whole new meaning to estate planning, the Sopranos may have a job under the Republicans' plan in the year 2010. If this goes through, Saturday, March 26th, 2001, will be a day of fiscal infamy.

Defeat this bill. Join us in a fair plan where the baby boom generation will stand up for fiscal responsibility.

Mr. RANGEL. Mr. Speaker, it is my understanding that my colleague on the other side of the aisle will be yielding the remainder of his time to our distinguished Speaker to close.

Mr. THOMAS. Mr. Speaker, I advise the gentleman that the Speaker will close, but he has honored me with just a statement at the end which would take 10 seconds, so it is a closing on this side.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time, and I want to sincerely thank the Speaker for thinking enough of the Democrats and the Committee on Ways and Means in appointing me to the conference. I only wish that he had told the majority leader and the chairman of the committee that he had done that. Because somehow this conference turned from a Ways and Means conference to a Republican conference; Republicans from the White House, from the House, and from the Senate.

I just cannot understand what was in this bill that was so terrible that my colleagues did not want one Democrat to be able to see it. And I say this because as we leave here on this Memorial weekend, not one Member of our side has been able to see my colleagues' bill. They have come and asked me for the bill, I have referred to it to the majority leader, and I guess he has referred it to the Speaker. But ultimately, we should be right there on our television, on our Web site, seeing what you rascals have really done, because you never really brought anything to this floor.

Mr. Speaker, I am waiting to go hear just exactly what happened.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House. Without his focus, attention, and diligence we would not have had the atmosphere to bring this accomplishment to fruition.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from California, and I thank him for his diligence and his hard work.

I thank my friends on the other side of the aisle. And to my good friend, the gentleman from New York, we are all in this process, and I think there were a couple of Democrats that were involved very heavily in this conference for a lot of hours. I am just advising my colleagues that revisionist history and trying to talk about different things, facts still remain facts.

Let me just say that maybe we just ought to tone down our rhetoric this morning, because it is not a Republican victory nor is it a Democrat victory if this bill passes today. The American people win. The American people, who get up in the morning, the farmer in Nebraska this morning that has been up for 3 hours doing chores, he is going to get a better break on his taxes. And that farm he spent his whole life on he may be able to pass on to his children and grandchildren.

The truck driver driving across the delta of Mississippi this morning, trying to get home to his family for Memorial Day, he is going to get a better tax break so he can take better care of his kids and plan for his kids' education. He wins on this.

It is the single mother in California, whose kids were up early this morning watching the TV. Not this. They are watching cartoons. Maybe it is the same thing. But anyway, that mother will be able to take care of her children. She gets a better tax break. She can plan for her children. And there are benefits for her that have never been in another tax bill.

I hear a lot about the budget, and I hear about Presidents in the past. It was 1996 and 1997 and 1998 and 1999 and 2000 and 2001 that this Congress balanced the budget for the first time in 40 years. And because we balanced the budget, we started to pay down the debt. And, yes, in September of this year we will have paid $650 billion down in public debt, and we have a surplus that allows us to give back to the

American people. It is time we give to the American people. Because if we do not give them that surplus, we will spend it and we will have bigger government, and we will have more programs and we will not see a surplus again.

It is time that we get on with this issue, it is time we get on with this work, and it is time we give the American taxpayer a tax break.

Mr. THOMAS. Mr. Speaker, I yield myself the balance of my time, and I want to thank the Speaker and my colleagues for the opportunity and privilege of serving. H.R. 1836 was created by a bipartisan team following President Bush's blueprint. There is a new direction in Washington, both in substance and in bipartisan cooperation. For a decade of growth and for some relief to the American taxpayer, let us vote ''yes'' on 1836.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in grave opposition to this Conference Report on H.R. 1836, the Tax Cut Reconciliation bill, and the conservative Republican budget.

All that glitters is not gold in this tax cut. Americans need relief now, and most of all, they need leadership. Sadly, the Majority has sought to twist and abuse the House process to benefit the wealthy.

The Minority has been shut out of this process and kept waiting through the night, only to be given a the draft of the plan 1 hour before it going to the floor of the House.

The tax bill is fundamentally unfair. This bill is designed to benefit the rich, cutting the four highest rates, and doing little for the rest of America. Fully 70% of this tax bill goes to the top fifth of taxpayers. The richest 1% of Americans earn 39.9% of the cut, while most Americans get a raw deal, with the bottom fifth of all taxpayers getting only 1.0% of the cut. This simply is not a good plan for America. I would have voted for the one-time economic stimulus package, which would have provided $85 billion in relief to taxpayers this year. Now, it has grown to $421 billion.

The bill provides no marriage penalty relief until 2005, despite the fact that the sponsors campaigned on the need for such relief. The bill repeals the estate tax, which overwhelmingly helps the wealthy, but does nothing about the gift tax. The repeal is effective only for the estates of decedents dying on or after January 1, 2010, and before January 2, 2011. This is not the kind of real tax relief that Americans need. We can and must do better.

If we worked together in a bi-partisan fashion like we did in the 1997 Clinton balanced budget, Americans would have the relief that they need today. Instead, under this plan we are faced with is a serious crisis in Social Security and Medicare, all for the sake of this huge tax cut.

What is really needed is progress that helps all Americans, and not just the wealthy few. We need a reasonable energy policy now. We need research and development for Lupus, Sickle Cell, and HIV AIDS, which currently have no cure. And under the ''Leave No Child Behind'' rhetoric, our children are left behind because we short-change the nation's educational needs.

I call on the Congress to do what is fair and what is right for all Americans

Mrs. MALONEY of New York. Mr. Speaker, after eight years of hard work, we finally have our financial house in order.

When I was elected in 1992, we had a $290 billion surplus.

This year, CBO projects a non-Medicare, non-Social Security surplus of $92 billion and the combined surplus is projected at $275 billion; under the President's budget, the non-Medicare, non-Social Security surplus would never again be that large within the ten-year budget window.

At a time of unprecedented surpluses, we should have tax cuts—but I believe in responsible tax cuts—tax cuts that allow us to pay down the debt and pay for domestic priorities such as prescription drug coverage for seniors and improvements in education.

I favor the Democratic plan of dividing the surplus into thirds.

One-third for tax cuts, One-third for debt reduction, and One-third for national priorities such as education and prescription drugs.

I believe in fixing the marriage penalty, but not delaying its implementation for four years as the Bush plan proposes.

I believe in relief from estate taxes, but not for billionaires, and not for a plan that hides its cost by not phasing in for 10 years.

I believe in giving the relief now—not ten years from now in a move that will blow a hole in the budget and leave us with massive deficits.

We need to be clear about one thing.

The Bush tax cuts are based on 10-year budget projections that can vary greatly and potentially lead us back to deficits.

Despite the current surplus the federal government is enjoying, danger lies just over the horizon.

The uncertainty of the next ten years is trumped by the certainty of the second ten.

Starting in the later half of this decade the baby boomers will begin to retire, drastically increasing our entitlement commitments. Should we find ourselves facing deficits in 2008 we will truly be in a dire predicament.

Most misleading about this tax bill is that it treats taxpayers with similar incomes far differently based on the state in which they reside.

This is because it greatly increases the impact of the Alternative Minimum Tax which eliminates deductions for state taxes.

While the tax cut itself is large, it is not so large that it provides relief to the lower income Americans who pay the majority of the taxes through payroll taxes rather than income taxes.

I don't believe in selling a tax cut as an economic stimulus package when most of the relief will come years from now, long after this economic cycle has passed.

The President says people should use the tax cut to pay their skyrocketing energy bills.

However, without provided relief from payroll taxes the Bush plan does nothing for people who are most affected by energy costs.

And I don't believe that we should cut taxes so far that we run the risk of going back into deficit spending.

Mr. NEAL of Massachusetts. Mr. Speaker, this is a sad day for America, but one everyone knew was coming. The bill we have before us repeats the mistakes of the 1981 Tax Bill, mortgaging our future for immediate political benefits.

The only question is: Who is going to play the role of Senator Dole this time? Who is going to have the courage to begin to turn this boat around once the immediate euphoria has passed, and the reality of what has been done is reflected in budget estimates? How are we going to act when the delayed effective dates come due and the hemorrhaging of revenue occurs just as the baby boom generation begins to retire, and our only choices are to reverse this tax bill or make deep cuts in Medicare and Social Security?

Having said that, let me make a few comments about how the pension provisions came out, as I understand them. I am willing to concede that this procedure makes it difficult to know exact details, so I will rely on the Chairman correcting me if I have misconstrued something.

I understand that the nonrefundable retirement savings account proposal is in the conference report, as is the small business credit for administrative costs for start up pension plans. Those are two of the three provisions I have been working for these past three years, so I thank the Chairman and those who supported these provisions. These provisions, when combined with the many solid provisions like portability, make this a better bill than when it left the House.

On the downside, I understand the House version of the nondiscrimination rule and the top-heavy rule has prevailed, thereby in my view weakening pension coverage for some low income workers. In addition, the application of nondiscrimination rules to the catch up provision has for the most part been dropped. I know Mr. CARDIN was the chief proponent of this very good policy, so I regret that outcome.

I suppose the theme of the pension provisions, as with this entire bill, is that it is built around a number of good provisions but on the whole it simply goes too far. And we will eventually have to clean it up. It would be better to simply vote this down, and start again to build a bill that solves problems in the tax code like the alternative minimum tax and other complex issues, to the extent we can afford to do so. I suspect that will not happen, but still I would hope Members would vote this down and start again.

Ms. HARMAN. Mr. Speaker, I rise to oppose the reconciliation conference report.

For close to a decade, I have made every hard vote to balance the budget, eliminate the deficit, and reduce our $5 trillion nation debt.

I made these votes because they were responsible, and because the alternative for my constituents and future generations was continued economic hardship, high unemployment, high interest rates, high mortgage rates, and a decline in the standard of living that my generation has enjoyed.

This is another of those brutally hard choices.

I support tax cuts and have recently voted for marriage penalty relief and eventual elimination of the estate tax.

I expect to vote for needed tax cuts in the future, including true relief from the AMT, a package of relief for small business, and a permanent research and development tax credit.

But none of these important tax cuts is included in today's package.

It includes some good features, such as improved pension portability, expanded IRA contributions and marriage penalty relief, but it is riddled with gimmicks and it is backloaded. Taxpayers in my district will be enormously disappointed when they see how little relief they actually get, and learn that, despite promises to the contrary, Social Security and Medicare trust funds are included in budget projections.

My family and I would personally benefit from a reduction in the top tax rate. But to their credit, they agree with me that the right vote is not about our personal interest, but about our country's interest.

John Kennedy was right. The question is what can I do for my country? And the answer is I can stand for principle and say ''no'' to the easier vote.

I hope the Congressional Budget Office reestimate of our surplus in July is positive. But given current indicators, it is likely to be negative. Should this be the case, the vote we take today will plunge us back into multi-billion dollar annual deficits.

I cannot do this. I have risked my political career fighting for fiscal responsibility. The right vote on this package—which emerged after an all-nighter of the 107th Congress—is ''no''.

We can write a better tax cut bill and we should.

Mr. PORTMAN. Mr. Speaker, I rise in strong support of this conference report providing needed tax relief for the American people and for our economy. The retirement security provisions are excellent and will help everyone save for retirement.

Unfortunately, several retirement security provisions had to be dropped from this bill because of the Byrd rule, a Senate rule that applies to tax bills passed under budget reconciliation rules.

Several of these provisions would make it easier for small businesses to offer defined benefit pension plans. For example, one provision would allow small businesses who adopt a new pension plan to pay more reasonable PBGC insurance premiums in the early years of the plan. Another would simplify annual reporting requirements for small plans.

We hope to work with the Education and Workforce Committee Chairman BOEHNER and Subcommittee Chairman JOHNSON, and ranking members GEORGE MILLER and ROB ANDREWS to get these and the other important ERISA and tax provisions enacted that had to be dropped from this bill for procedural reasons.

Mr. BLUMENAUER. Mr. Speaker, I am disappointed as we vote on this tax bill for the fifth time that no substantive change has been made to make it more fiscally responsible and direct more help to those who need it the most. Accordingly, I have decided keeping commitments to my constituents in Oregon was a higher priority than voting ''no'' for the fifth time, which I most definitely would have done.

Luckily change is in the air as recent events on Capitol Hill have demonstrated the need for true bipartisanship and working together in a cooperative fashion. This hopefully will mean an opportunity to improve this package in the course of the year, and I remain committed to doing so in a way that makes sense for the people I represent in Oregon and the long-term fiscal stability of the country.

Mr. BEREUTER. Mr. Speaker, while this member enthusiastically votes for H.R. 1836 to give a tax cut to American taxpayers he continues his strong opposition to the total elimination of the estate tax on the super-rich. The reasons for this opposition has been publicly explained on numerous occasions, including statements in the CONGRESSIONAL RECORD. On the other hand, this member is strongly in favor of substantially raising the estate tax exemption level and reducing the rate of taxation on all levels of taxable estates. However, to totally eliminate the estate tax on billionaires and mega-millionaires would be a terrible idea for the American society and for continuing to foster very large charitable contributions for colleges and universities and other worthy institutions in our country. Fortunately, I believe it will never be eliminated in the year 2010.

Relatedly, this member includes the following opinion piece by William H. Gates, Sr. as it appeared in the Washington Post edition of May 25, 2001.

A TAX BREAK'S UNFORTUNATE LEGACY

(By William H. Gates, Sr.)

The power of organized money has won another round, as the Senate's vote to repeal the estate tax has demonstrated.

The proponents of wholesale repeal were able to wage a campaign based largely on symbolism and distortion of fact. They cited the plight of farmers, but when a reporter asked for living examples of real small farmers who had lost their farms, they couldn't be found. The deliberative tradition of the Senate caved under the pressure of ideology over reality.

Missing has been a debate about the potential dangers of eliminating our estate tax. What will it cost in lost federal revenue? How will state treasuries manage without their revenue linked to the federal estate tax? What effect will it have on charitable giving and the nonprofit civic sector? What happens to democracy and equality of opportunity in a society with such great inequities of wealth and power?

And more technical questions: Are there ways to reform the tax to address concerns about family enterprises? How would a repeal of the ''stepped up basis,'' which exempts estates from capital gains taxes, be administered? Instead of discerning these vital questions, our elected leaders have punted. By structuring full repeal to take effect 10 years down the road, they have obscured the cost and downside of repeal and shifted the burden onto future generations.

A hundred years ago, we did have a rigorous debate about the need to tax large accumulations of wealth. Then, as now, wealthy people took a stand in favor of inheritance taxes. Andrew Carnegie personally testified before Congress in favor of the estate tax.

The petition effort that I launched with Responsible Wealth is a similar effort. More than a thousand prominent investors and business leaders—from families that have paid or will pay estate taxes—have called for reform but not repeal of the tax. Many of the signers are owners of small businesses who understand that concentrations of wealth and power are not friendly to small enterprise.

The fate of the estate tax goes to the heart of the American experiment. What has made America distinct from Europe is our effort not to create hereditary aristocracies and our suspicion of concentrated wealth and power weakening our democracy. It was understood a century ago that the estate tax was an attempt to balance conflicting American values: on the one hand, our respect for private enterprise and personal wealth, and on the other, our concern for democracy and equality of opportunity. Today's debate is missing this historical concern. In its place, we have come to worship a myth of individual merit and success. But the unspoken little secret is that great wealth is never entirely the result of individual achievement. We underestimate the role of luck, privilege and God's grace in our good fortune. And we dismiss the incredible contribution our society makes to creating the fertile soil for successful private enterprise through public investment.

My own perspective celebrates individual achievement and the hard work of entrepreneurs and leaders in our free-enterprise system. But I also recognize that society has played an important role in the creation of wealth. Take anyone of the Forbes 400 and drop them into rural Africa and see how much wealth they would amass.

Imagine that two infants are about to be born. God summons their spirits to his office and makes them a proposition. One child will be born in a prosperous industrialized country, the United States. Another child will be born into a country of society-wide abject poverty. God proposes an auction for the privilege of being born into the United States. He asks each new child to pledge a percentage of his earthly accumulation at the end of his life to the treasury of God. The child who writes the highest percentage will be born in the United States. Does anyone think either child would pledge as little as 55 percent, the current top-estate tax rate?

This is not a slight of the vibrant community and human qualities that exist in less-developed countries. I have traveled the world in my work on health and am struck by the quality of the human spirit. But our society has facilitated wealth-building by creating order, protecting freedom, creating laws to govern property relations and our marketplace, and investing in an educated work force. What's wrong with the most successful people putting one-quarter of their wealth back into the place that made their wealth and success possible? Many people repay their universities this way. Why not their country?

For the sake of our grandchildren, I hope we can revive this vital debate. It may not be happening in the halls of Congress, but perhaps we can take it to the town square.

Mr. ROGERS of Michigan. Mr. Speaker, I rise in support of the Economic Growth and Tax Relief Reconciliation Act as it fulfills two key principles. First is the moral imperative to reduce the tax burden on all American taxpayers, who are being taxed at historic levels. I believe it is morally right to return some of that money back into the pockets and purses of Americans. Quite simply, I believe tax relief is about freedom. The more of your money are allowed to keep, the more freedom you have to save, spend or invest your money as you see fit.

The second principle addressed by this legislation is economic growth. Central to America's economic growth and continued prosperity is education; but, too often students and families educational opportunities are limited by the cost or prospect of a crushing debtload. The best answer to this dilemma is to encourage advanced family savings.

I am pleased this conference agreement recognizes the need to provide federal tax incentives to help and encourage families to save for college. This legislation provides for tax-free treatment of distributions from state-sponsored prepaid tuition or college savings plans. This bill's language on tax-free distributions mirrors the primary provision in legislation I introduced earlier this year, the Securing Affordable collegiate and Vocational Education (SAVE) Act.

The cost of attending college, whether at a public or private institution, continues to rise steadily. In order to send their children to college, American families increasingly rely upon debt to meet these rising college or vocational training costs. All 50 states have responded by establishing, within section 529 of the federal tax code, state qualified tuition programs that are free from state income taxes.

As the author of Michigan's recently-enacted Michigan Education Savings Program I have witnessed first-hand the demand for such common-sense education savings plans. Although Michigan's program was only launched in November 2000, it has been a smashing success as more than 16,000 accounts have been opened with over $34 million in investments.

The power of compounding makes these plans especially appealing to families who can save only in smaller increments. For example, in Michigan, families can put away as little as $10 a week over the first 18 years of a child's life and, based at a conservative earnings rate of 8 percent, have about $20,000 by the time he or she is ready for technical school.

When it comes to saving for college and vocational training, we need to help our families turn from a borrowing class into a saving class. Today's legislation takes a large step in that direction by providing for tax-free treatment of distributions from State Qualified Tuition Programs, like the Michigan Education Savings.

I salute Chairman THOMAS for his hard work on this excellent legislation and thank him for including this education provision that will help millions of families nationwide. I strongly urge my colleagues to support this legislation.

Mr. McDERMOTT. Mr. Speaker, here we go again—rushing to get this outright deception of a tax cut through—signed, sealed and delivered by Memorial Day. There is absolutely nothing in here for Social Security and Medicare and even the President's plan to partially privatize Social Security, but rather, it raids the money that is so desperately needed for these programs. This bill slashes spending on health care. There is nothing left for emergencies. Of course not, we have an emergency right now with the energy crisis, and there is not a single cent devoted to it. How many hundreds of heat-related deaths this summer will it take for the Administration to realize that the high energy prices is the true emergency, not tax relief?

By pursuing this tax cut, the Administration and my Republican colleagues are consciously choosing to deny the existence of a very serious energy crisis. In light of a potential 250% Bonneville Power Administration (BPA) rate increase next year, the estimated Northwest regional job loss is 224,484. Seattle City Light, serving an area of half a million, has raised rates 30 percent.

Today, the Bush administration would say that we must rush to meet the Memorial Day deadline for this tax bill in order to help hard-working Americans confront the energy crisis. So much for their earlier explanation that the economy was on the brink of a recession and could only be saved by this massive tax cut.

I see—all the tax cut dollars will go towards paying energy bills and stimulating the profits of the big oil companies—oil companies such as Houston-based Enron and Dynegy that have reportedly seen revenues climb by 400 percent in the past two years while the Californian utilities spiraled into debt.

As for the working American families who owe no federal taxes and get zero to nominal benefits from this blatant deception of a taxcut, how will we help them pay their energy bills? Roughly twenty percent of families with children will get absolutely nothing under this bill. We will just send them into debt with utility bills. But that seems all right with the administration. According to them, knowing you will get $100 child credit in 18 months will have a psychological effect and cause the parent to go shopping and stimulate the economy.

The Administration simply is closing their eyes and ears to the facts, and hiding behind the fraudulent pretext that this tax cut is the one and only solution for all of our country's challenges. Next, this tax cut will decrease teen pregnancies.

It's a nutshell game. Is the money under the shell for the big oil companies or is it for the wealthiest one percent to go on a shopping spree?

This whole package is really about sending hard-working Americans and our country into debt—all for the benefit of the extraordinarily rich and major oil companies, many of whom are in Texas. A vote for this fraud is a vote to gamble away our Nation's prosperity.

Mr. BENTSEN. Mr. Speaker, the Republican tax plan simply does not allow them to keep all their political promises. First, we must realize this 11-year $1.35 trillion amalgam of tax cuts does little to provide immediate tax relief. Next we must confront the fact that the costs of these cuts are pushed back just behind the 10-year budget horizon, concealing their true cost.

This tax plan leads us down the path of ''spend today, borrow tomorrow'' policy that will leave no room for adequately funding the nation's priorities or protecting against unforseen economic downturns. As I have said before, I support a substantial tax cut but not at the expense of hard-fought fiscal ground and long-standing domestic priorities, such as strengthening Social Security and Medicare, providing a universal prescription drug benefit, and adequately funding education and defense. With the passage of this tax cut, I do not see how we can even fund the president's own spending priorities, such as an expensive national missile defense system.

Mr. Speaker, I give the Republicans credit for providing a ''tax refund'' by reducing marginal income tax rates, the cornerstone of the President's plan. This measure puts a 10% bracket on the first $6,000 of taxable income for single filers and $12,000 for couples. However, taxpayers subject to the 15%, 28%, 31%, and 39.6% will not start seeing a reduction in their taxes until 2002 or 2005 or 2007, when each of the remaining tax brackets are reduced. Putting aside the merits of how the tax relief is distributed, I am disappointed that much of the delay in negotiations over this package was over how much relief to give 0.7% of taxpayers, those subject to the top marginal rate of 39.6%.

During the negotiations, I am pleased that the conferees were convinced not to scale back the Senate's child refundable tax credit that will now be available to working poor families. The per child tax credit will be doubled from $500 to 1000 and will be partially refundable to those parents earning $10,000 or more and will be retroactive to the beginning of this year.

I am also disappointed that the Republicans, after years of vilifying the Federal Estate and Gift Tax by calling it the ''Death Tax'' are making the uncertain move of repealing the tax over the next 9 years. The estate tax plan that I support, as was proposed by Mr. RANGEL, would have immediately exempted 75% of those currently subject to the tax by raising the exemption to $4 million per couple this year. These individuals would then not have to wait until 2010 as set out under the Republican plan. Another troubling aspect of the Republican's approach is that, in the absence of a federal estate and gift tax, it appears that inherited property would be subject to carryover basis rather than step-up in basis.

Mr. Speaker, well, how about the Republican's promise to remove the so-called marriage tax penalty? Remarkably, here again, the Majority willing to let the American taxpayer wait and pay. Under this package, not until 2005 is the standard deduction for married couples raised to twice the standard deduction available to single individuals. The plan that I and many of my Democratic colleagues in the House support would create an immediate standard deduction for married couples equal to twice the standard available to single individuals. Thus, the current law standard deduction of $7,800 per couple would be increased to $9,300 immediately, not in 2005. Mr. Speaker, since marriage penalty relief is a major priority for Congress, why don't we provide it until 2005?

Next, I would like to point out the white elephant in the middle of the room that everyone seems intent on ignoring, the alternative minimum tax (AMT). While 1.5 million taxpayers will be subject to the AMT this year, the Joint Committee on Taxation projects that 21 million taxpayers, including nearly half of all families of four or more, will fall under the AMT by 2011. If the AMT is not completely corrected, the expected tax relief for many families simply will not be realized. What will we say in 2011 to the 19.5 million taxpayers wondering why they are subject to the AMT?

Mr. Speaker, my central objection to this legislation is that the conferees have hidden the true costs of the plan. We cannot claim fiscal responsibility and overlook the structure and timing of this legislation. I support many of the tax cuts in this package, but not when they are clearly crafted to threaten fiscal responsibility. We all know that the lengthy phase-ins for almost all provisions make the package look affordable, but the more back-loaded the package the greater the second 10-year costs as compared to the first ten-year costs. Members and the public are told that the tax package costs $1.35 trillion. As a senior member of the House Budget Committee, I must report that if the true costs were reflected by assuming that all the provisions that expire are made permanent, the cost over the period 2001 to 2011 would be at least $1.7 trillion, excluding interest costs. Most importantly, the cost in the second ten years is estimated to be about $4.1 trillion. Thus, this measure that provides little immediate relief to few Americans leaves little room for funding national priorities such as defense and education or a universal Medicare prescription drug benefit, paying down the debt or reforming Social Security.

Perhaps the brightest spot of this bill is the inclusion of the bipartisan Portman-Cardin pension legislation approved by the House. I am thankful that this bill included tax credits taken from legislation I introduced with my colleague. Mr. BLUNT, to promote the establishment of retirement savings plan by small businesses. Unfortunately, lifting of the limits on IRA and 401(k) contributions has been slowed, reducing the amount that Americans can save over the next decade. The time is upon us to plan for the retirement of the Baby Boom generation. We cannot keep putting off Social Security reform or providing a prescription drug benefit or, for that matter, enhancing pension savings.

For reasons of fiscal responsibility, Mr. Speaker, I oppose the Conference Report to H.R. 1836.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to House Resolution 153, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 240, nays 154, not voting 39, as follows:

[Roll No. 149]

YEAS—240

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Berkley
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Carson (OK)
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
Kerns
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Larsen (WA)
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—154

Allen
Andrews
Baird
Baldacci
Baldwin
Barrett
Berman
Berry
Blagojevich
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson (IN)
Clay
Clyburn
Conyers
Costello
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Holden
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCollum
McGovern
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Miller, George
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rothman
Roybal-Allard
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watt (NC)
Weiner
Wexler
Woolsey
Wu

NOT VOTING—39

Ackerman
Baca
Becerra
Bentsen
Bishop
Blumenauer
Boyd
Clayton
Coyne
Cubin
Doggett
Gillmor
Hall (OH)
Hoeffel
Honda
Houghton
Isakson
Jones (NC)
Kaptur
King (NY)
Lipinski
McCarthy (MO)
McDermott
McIntyre
Meek (FL)
Millender-McDonald
Moakley
Oberstar
Quinn
Rahall
Rodriguez
Rush
Scarborough
Spence
Towns
Walsh
Waters
Waxman
Wynn

□ 1011

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. MCDERMOTT. Mr. Speaker, on rollcall No. 149, final passage of H.R. 1836, adoption of the conference report, I was unable to be present. Had I been present, I would have voted ''nay.''

Ms. MCCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 149, due to difficulties associated with my travel logistics, I was unavoidably detained. Had I been present, I would have voted ''nay.''

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 1836.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE JOURNAL

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8, rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

ADJOURNMENT OF THE HOUSE FROM FRIDAY, MAY 25, 2001 OR SATURDAY, MAY 26, 2001 TO TUESDAY, JUNE 5, 2001, AND RECESS OR ADJOURNMENT OF SENATE FROM SATURDAY, MAY 26, 2001 OR SUNDAY, MAY 27, 2001 OR TUESDAY, MAY 29, 2001 TO TUESDAY, JUNE 5, 2001

Mr. TIAHRT. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 146) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 146

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Friday, May 25, 2001, or Saturday, May 26, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, June 5, 2001, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Saturday, May 26, 2001, Sunday, May 27, 2001, or Tuesday, May 29, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Tuesday,